

BUSINESS AND NONINSTRUCTIONAL OPERATIONS**Insurance****A. Program**

An adequate program of insurance shall be maintained for the purpose of protecting the Stafford County School Board and the property of the board.

The superintendent shall institute such a program with the advice of appropriate insurance advisors.

The board shall annually budget such funds as will be necessary to pay the premiums on such insurance.

B. Coverage

In general, coverage should extend to:

1. buildings and grounds
2. school buses and other vehicles
3. liability
4. surety bonds
5. workers' compensation
6. incidental medical malpractice (nurses)

The limits of coverage shall be recommended by the superintendent and he shall determine continuously such coverage on the basis of the best current information and advice available to him.

C. Safety and Rate Review

Periodic surveys of school property and of personnel safety practices are to be made by the superintendent with the assistance, when desirable, of outside personnel.

D. Records

The superintendent shall maintain up-to-date records as requested by the insurance companies in order that the school board might be properly covered and as a protection against loss.

E. Purchase

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The criteria for selection of insurance shall include:

1. adequacy of coverage
2. cost
3. quality, convenience and reliability of service.

Editor's Note

For other employee insurance see
school board policy #5-33.

For student insurance see school board policy #7-56.

Legal Reference: Through June 30, 1997

Code of Va., §22.1-84. Insurance. -- "A school board may provide for insurance on school properties against loss by fire and against such other losses as it deems necessary and may provide liability insurance, or may provide self-insurance, for certain or all of its officers and employees and for student teachers and other persons performing functions or services for any school in the school division, even though any such student teacher or other person performs such functions or services without payment therefor, to cover the costs and expenses incident to liability, including those for settlement, suit or satisfaction of judgment arising from their conduct in discharging their duties or in performing functions or services for a school. The liability insurance coverage shall be placed with insurance companies authorized to do business in this Commonwealth." (1980)

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Code of Va., §22.1-157. Loans to be liens on buildings; insurance. -- "A. The loans made under this chapter, including interest thereon, shall constitute a specific lien on the building and addition thereto for which such loan was made as well as the lots where the buildings are situated. A memorandum of lien shall be duly recorded in the appropriate circuit court. A restriction on the use of the land for public school purposes shall not be deemed to operate as an encumbrance nor shall such a restriction defeat this lien. No recordation tax shall be assessable.

B. The school board shall keep all such buildings fully and adequately insured for the benefit of the Literary Fund, and proof of the existence of the policy or policies of insurance shall be obtained by the insured from the insurer in a form satisfactory to the State Superintendent of Public Instruction." (1982)

Code of Va., §22.1-188. Definitions. -- "As used in this article:

1. 'Vehicle' means any vehicle owned or operated by, or owned or operated by any person under contract with, a county, city, town or school board in which any school pupils or personnel are transported at public expense to or from any public school.

2. 'School pupils and personnel' includes school bus patrolmen when performing duties either in or outside a vehicle as prescribed by the Board of Education." (1980)

Code of Va., §22.1-189. Compliance with article prerequisite to receiving State school funds. -- "No school division in which any school pupils or personnel are transported at public expense to or from any public school in any vehicle shall receive any State school funds unless it complies with all applicable requirements of this article and submits satisfactory evidence to the Superintendent of Public Instruction of the effectuation of all requisite insurance." (1980)

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Code of Va., §22.1-190. When insurance required and amount thereof. -- "A. Every vehicle shall be covered in a policy of liability and property damage insurance issued by an insurance carrier authorized to transact business in this Commonwealth, in the amounts of at least fifty thousand dollars for injury, including death, to one person, two hundred thousand dollars for injury, including death, to all persons injured in any one accident, and ten thousand dollars for damage, including destruction to the property of any person, other than the insured. In addition, the policy of insurance shall provide coverage for loss or damage caused by an uninsured motorist in accordance with the provisions of §38.1-381 (b) and in the amounts required by this section. The policy shall also provide for medical expense payment coverage in the minimum amount of one thousand dollars.

B. The insurance so effected shall be subject to all laws of this Commonwealth regulating insurance.

C. This insurance shall not be required in cases when pupils are transported on a common carrier if such carrier is covered by a policy of insurance affording substantially the protection required by this article.

D. This insurance shall not be required in cases where pupils are transported in vehicles which are owned or operated by a county, city, town or school board which has qualified for and received a certificate of self-insurance from the Commissioner of the Division of Motor Vehicles, following a certification of financial responsibility equal to that required under subsection A. of this section. The Commissioner of the Division of Motor Vehicles may require posting of a bond by a locality or school board as a condition to issuance of a certificate of financial responsibility pursuant to this subsection." (1980)

Code of Va., §22.1-191. When Superintendent of Public Instruction to obtain insurance. (1980)

Code of Va., §22.1-192. Injury and damage covered by policy. -- "Every policy of insurance issued in pursuance

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of the provisions of this article, in addition to compliance with other requirements of this article and with the requirements of other applicable laws, shall cover:

1. Injury, including death, to school pupils and personnel, except the driver when not a pupil, riding as passengers on any of the vehicles so insured when used to transport such persons at public expense;

2. Injury, including death, to any persons not passengers on any such vehicle;

3. Damage, including destruction, to property of any person other than the insured." (1980)

Code of Va., §22.1-193. Sufficiency of proof in action on policy; guest doctrine not applicable. -- "In case any school pupil or personnel, except the driver when not a pupil, whether riding in a vehicle or not, or any other person suffers injury, including death, or property damage, including destruction, through the ownership, maintenance, use or operation of a vehicle, it shall be sufficient, in an action for recovery upon the policy, to prove such facts and circumstances as are required to be shown in order to recover damages for death or injury to person or property caused by the negligent operation of privately owned motor vehicles in Virginia; provided that such pupils and personnel shall not be considered as guests, and §8.01-63 shall not apply to them." (1980)

Code of Va., §22.2-194. Liability of locality or school board owning or operating vehicle. -- "In case the locality or the school board is the owner, or operator through medium of a driver, of, or otherwise is the insured under the policy upon, a vehicle involved in an accident, the locality or school board shall be subject to action up to, but not beyond, the limits of valid and collectible insurance in force to cover the injury complained of or, in cases set forth in subsection D. of §22.1-190, up to but not beyond the amounts of insurance required under subsection A. of §22.1-190 and the defense of governmental immunity shall not be a bar to action or recovery. In case of several

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claims for damages arising out of a single accident involving a vehicle, the claims of pupils and school personnel, excluding driver when not a pupil, shall be first satisfied. In no event, except where approved self-insurance has been provided pursuant to §22.1-190 D., shall school funds be used to pay any claim or judgment or any person for any injury arising out of the operation of any such vehicle. The locality or school board may be sued alone or jointly with the driver, provided that in no case shall any member of a school board be liable personally in the capacity of school board member solely." (1980)

Code of Va., §22.1-195. Recovery where vehicle operated under contract. -- "In case a vehicle involved in an accident is not owned by the county, city, town or school board but is operated under contract with the locality or school board, recovery may be had as provided for in §22.1-193." (1980)

Code of Va., §22.1-196. Lapsed insurance. -- "If insurance is obtained but lapses while a vehicle is still being used or is proposed to be used to transport school pupils or personnel, no school funds remaining to be distributed to the school board so in default shall be distributed to it until the terms of this article in this regard have been fully complied with." (1980)

Code of Va., §22.1-197. Distribution of funds when Superintendent effects insurance. -- "When the Superintendent of Public Instruction effects insurance as required by this article, he shall nevertheless not make any distribution of State school aid funds to the school board so in default until he has been furnished with satisfactory assurances that all vehicles required by this article to be covered by insurance have been duly insured." (1980)

Code of Va., §22.1-198. Applicability of article not dependent upon approval of vehicles or allocability of State aid. -- "The provisions of this article apply to all vehicles whether or not the regulations of the Board of Education established pursuant to §22.1-177 have been complied with and irrespective of whether or not any State

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aid for transporting school pupils and personnel in the particular vehicle has been, is, or will be allocable." (1980)

Code of Va., §15.1-503.4:1. Declaration of policy, findings and purpose. -- "The General Assembly hereby finds and determines that insurance protection is essential to the proper functioning of political subdivisions; that the resources of political subdivisions are burdened by the high cost of and frequent inability to secure such protection through standard carriers; that proper risk management requires the spreading of risk so as to minimize fluctuation in insurance needs; and that, therefore, all contributions of financial and administrative resources made by a political subdivision pursuant to an intergovernmental contract as authorized by this chapter are made for a public and governmental purpose and that such contributions benefit each contributing political subdivision." (1986)

Code of Va., §12.1-503.4:2. Definition. -- "For the purposes of this chapter, 'political subdivision' means any county, city, or town, school board, Transportation District Commission, or any other local governmental authority or local agency or public service corporation owned, operated or controlled by a locality or local government authority, with power to enter into contractual undertakings." (1986)

Code of Va., §12.1-503.4:3. Group self-insurance pools authorized. -- "A. Any political subdivision of this Commonwealth may, by contract with one or more political subdivisions of this Commonwealth or of another state, form a group self-insurance pool to provide for joint or cooperative action relative to their financial and administrative resources for the purpose of providing to the participating political subdivisions risk management and liability insurance coverage for pool members and employees of pool members, for acts or omissions arising out of the scope of their employment, including any or all of the following:

1. Casualty insurance, including general and professional and public officials liability coverage;

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2. Property insurance, including marine insurance and inland marine and transportation insurance coverage;

3. Group life, accident and health coverages including hospital, medical, surgical and dental benefits to the employees of member political subdivisions and their dependents;

4. Automobile insurance, including motor vehicle liability insurance coverage and collision and security for motor vehicles owned or operated, as required by Title 46.1 of the Code of Virginia, and protection against other liability and loss associated with the ownership and use of motor vehicles;

5. Surety and fidelity insurance coverage; and

6. Umbrella and excess insurance coverages.

B. A group self-insurance pool may obtain excess insurance or reinsurance of risks, and may cede and sell the risks for coverages set forth in this section." (1986)

Code of Va., §15.1-503.4:4. Powers of group self-insurance pool; self-insurer for motor vehicle security; surety. -- "A group self-insurance pool, for the purposes of carrying on the business of the group self-insurance pool whether or not a body corporate, shall have the power to sue and be sued, to make contracts, to hold and dispose of real and personal property, and to borrow money, contract debts, and pledge assets in the name of the group self-insurance pool. The assets of any group self-insurance pool established pursuant to this chapter shall be invested in those securities and investments permitted by regulation adopted by the State Corporation Commission for group self-insurance workers' compensation plans pursuant to .65.1-104.2. . . ." (1986)

Code of Va., §15.1-503.4:5. Required provisions in contract; election of governing authority; financial plan; management plan. -- "Any intergovernmental contract entered

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into pursuant to this chapter for the purpose of establishing a group, self-insurance pool shall provide: . . ." (1986)

Code of Va., §15.1-503.4:6. State Corporation Commission approval required. -- "The formation and operation of a group self-insurance pool under this section shall be subject to approval by the State Corporation Commission which may, after notice and hearing, establish reasonable requirements and regulations for the approval and monitoring of such pools, including prior approval of pool administrators and provisions for periodic examinations of financial condition. . . ." (1986)

Code of Va., §15.1-503.4:7. Filing of annual financial statements, deficit correction financial plan with State Corporation Commission required. -- "Each group self-insurance pool created in this Commonwealth shall file with the State Corporation Commission and with the members of the pool audited financial statements certified by an independent certified public accountant within 120 days after the end of the pool's fiscal year. If a group self-insurance pool fails to file the audited financial statements as required, the Commission may perform the audit and the group self-insurance pool shall reimburse the Commission for the cost of the audit. . . ." (1986)

Code of Va., §15.1-503.4:8. Exemptions from disclosure. -- "Information regarding that portion of the funds or liability reserve of a pool established for purposes of satisfying a specific pending and unresolved claim or cause of action shall be exempt from disclosure under the Virginia Freedom of Information Act (§2.1-340 et seq.). . . ." (1986)

Code of Va., §15.1-503.4:9. Group self-insurance pool not an insurer. -- "Any group self-insurance pool organized pursuant to this chapter is not an insurance company or insurer under the laws of this Commonwealth. The development, administration, and provision of group self-insurance programs and coverages authorized by this chapter by the governing authority created to administer the pool

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does not constitute doing an insurance business. . . ."
(1986)

Adopted by School Board: March 24, 1987
Amended by School Board: January 22, 1991